

Fiscal Note

Fiscal Services Division



HF 2404 – Hearing Aid Insurance Coverage for Children (LSB 6189HV)
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Fiscal Note Version – New

Description

House File 2404 requires insurers offering certain individual or group health insurance contracts, policies, or plans in the State to provide coverage for certain audiological services and hearing aids for children. The Insurance Commissioner will adopt rules to administer the requirements in the Bill. The Bill requires these insurers to provide minimum coverage for audiological services and hearing aids for children that must include, at a minimum:

- Coverage for audiological evaluations performed by a licensed audiologist.
- Coverage for hearing aids that are recommended by a licensed audiologist and dispensed by a licensed hearing aid dispenser for children up to 18 years of age.
- Coverage for an ear mold and a hearing aid for each hearing impaired ear payable every 24 months for children up to 18 years of age.
- Coverage for up to four additional ear molds per year for children up to three years of age.

Background

The Iowa Department of Public Health currently operates a program (on a limited basis) that covers hearing aid and audiological needs for children enrolled in private medical insurance plans that do not cover these services. For FY 2009, the State spent \$265,000 to provide hearing aids and audiological services for 231 children enrolled in the program.

Assumptions

- The Department of Administrative Services has indicated that State employee plans administered by Wellmark Blue Cross and Blue Shield of Iowa would see the State's share of premiums increase approximately 0.1% or \$500,000 for FY 2011 and FY 2012.
- The Board of Regents has indicated that premiums would increase 0.1% for an estimated cost of \$170,000 for FY 2011 and FY 2012.
- The Insurance Division has indicated that rules can be administered with current staffing levels.

Fiscal Impact

The cost to the State's General Fund is expected to be \$670,000 for FY 2011 and subsequent fiscal years.

Sources:

Department of Administrative Services, Board of Regents, Iowa Insurance Division, Legislative Services Agency

/s/ Holly M. Lyons

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